

January 26, 2010

MINUTES OF THE CITY COUNCIL WORK SESSION HELD JANUARY 26, 2010

A Work Session of the City Council of the City of Hopewell, Virginia, was held Tuesday, January 26, 2010 at 6:00 PM in the City Council Chambers, Municipal Building, 300 North Main Street, Hopewell, Virginia.

PRESENT: Brenda S. Pelham, Mayor
N. Gregory Cuffey, Vice Mayor
Christina J. Luman-Bailey, Councilor
Curtis W. Harris, Councilor
Kenneth B. Emerson, Councilor
Gerald S. Stokes, Councilor
K. Wayne Walton, Councilor

Ann M. Romano, City Clerk
Edwin C. Daley, City Manager
Thomas E. Lacheney, City Attorney

Mayor Pelham opened the work session at 6:00 PM. Roll call was taken as follows:

Mayor Pelham	-	yes
Vice Mayor Cuffey	-	yes
Councilor Bailey	-	ABSENT (arrived at 6:02 PM)
Councilor Harris	-	yes
Councilor Emerson	-	yes
Councilor Stokes	-	yes
Councilor Walton	-	yes

Prayer was offered by Mr. Avon Miles, Chairman of the School Board, followed by the Pledge of Allegiance to the Flag of the United States of America.

WORK SESSION

1. **Discussion by the School Board Regarding Hopewell High School Renovations** – Avon Miles, School Board Chairman presented an update on the Hopewell High School Renovation. The School Board had requested \$26.5M for the project. This did not include the new track for the high school. City Council approved \$20M. Five million dollars was made available to start the project. That portion of the project has been completed. The remainder of the project was sent out to bid in December 2009. The bids were received in January 2010; the School Board received a favorable response. Thirteen contractors submitted bids. The bids are good until March 12, 2010. The track was not included, and the price was \$25M. Alternate deductions reduced the cost to \$22.265M. (*Note: This year there were 100 additional students and 100 are expected for next year.*) The School Board does not want to have to build a new high school. Ray Watson, Assistant Superintendent of Schools, indicated that the \$25M cost was for the project with no track. The \$25M includes the \$5M already spent. The Architects indicated that there were six things identified to be delayed, however everything in the project is essential.
 - a. **Alternate #1** – Safety fencing – average cost \$30,000.
 - b. **Alternate #2** – Additional storage in the kitchen area for food – average cost \$50-55,000.
 - c. **Alternate #3** – Corridor and three classrooms – average cost \$188,000. The three classrooms could be removed and still provide a covered, interior corridor.
 - d. **Alternate #4** – Reconfiguration of staff parking which was changed to the bus loop. It would add 84 employee parking spaces. Average Cost \$117,000. There are currently 80 spaces.

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- e. **Alternate #5** – Deleting eight tennis courts, lighting, and walkways – average cost \$390,000.
- f. **Alternate #6** – Gym, locker room addition, etc. (It has been a problem at the school for a long time.) Average cost \$1,130,000. It would eliminate plans for equipment for the Culinary Arts Program.

Mr. Watson explained costs, contingencies, etc., that equal \$25M. Five million dollars has already been paid for most of the plans, bidding, wells, inspections, etc. The QZAB was approved. The project cost is \$25M. That is \$2.5M over the \$20M recommended by City Council already. Mr. Watson distributed a comparison sheet to Council (filed in the City Clerk's Office). The School Board received QSCB (Qualified School Construction Bond) money in the amount of \$7.5M. QZAB Bonds sold for \$2.8M at 0%. They had to pay a premium but had to sell at 1.5%. QSCB – no guarantee if there is a premium or 0%. The Literary Loan is at 2%. The school cannot have both. QSCB could be available. The Literary Loan availability is unknown. They will get \$7.5M but they do not know when. QZAB would add administrative costs. There is about \$100,000 in administrative costs. Vacen-Davis would require a re-bid for the entire project. The School Board has been looking for grants. All stimulus money was used by the government to backfill operational funds, not the general fund.

Dr. Daley referred to the \$2.8M in QZAB bond. Those were sold six to eight weeks ago. That money went into this project along with the \$5M. It is all part of the \$20M. The \$7.5M is part of the \$20M. The Literary Loan funds are easier to use, but there is no money there now. It is unknown if there will be funds in the future; it may be used elsewhere. Dr. Daley reminded Council that they have several things to be concerned about now. The legislature is in session, and they want to take all the money from Constitutional Officers. They want to do away with the car tax, and take away the 599 money. He discussed bids for Phase I and Phase II, and how to drop it down to \$22.265M. The School Construction Committee should bring back a recommendation after their meeting on January 27, 2010. The City Manager advised that Council: 1) Go with the QSAB and not the Literary Loan. 2) Divide the project. The tennis courts could be a separate bid. The bus loop could be another bid. There could be three separate bids. That could buy some time. That allows time to find out what the legislature is going to do. QZAB money, at 2%, could come close to \$22.265M using stimulus money.

DISCUSSION: Council members commended the School Board for the bid process and thanked Dr. Odom and Mr. Watson especially. There are two things that citizens will support raising taxes for, and they are the Hopewell High School Basketball and Baseball, and Public Safety. Although we have a new governor, there is no money available for any jurisdiction in the Literary Fund. Mr. Watson will provide information on Hopewell's status on the priority list for the Literary Fund. Some Councilors indicated that it would be beneficial to hear from citizens. There was brief discussion about Value Engineering. Mr. Miles thanked City Council for allowing the School Board to provide the information. There is only one high school in Hopewell and the School Board wants to make it comparable to the surrounding area. He also thanked the architect for doing such a thorough job planning the renovation.

Mayor Pelham called for a five-minute recess.

- 2. **Building Fees – Fire Chief Tunstall** – Fire Chief Tunstall addressed Council with information regarding the City of Hopewell's Building Fees. He distributed a handout of statistical data for Hopewell and the surrounding jurisdictions. There are two systems: Cost & Labor, and Cost per foot.

DISCUSSION: Consideration of a \$50 base fee and 4¢ rather than 3¢. Due to complaints, the building and contracting community feels that Hopewell's fees should be reviewed and adjusted. Subcontractors will dislike this the most. This item was added to the agenda for February 9, 2010.

3. **Development Report – Mr. Shah’s Property** – Mr. Shah addressed Council regarding his Right-of-Way request for Ivy Street. The area can be vacated because it is more than ¼ acre. There was discussion of addressing it as a street vs. an alley. Mr. Shah indicated that one proposal was for retail space and office space, at a cost of about \$2M. That relates to \$20,000 property tax for the city. Another retail space could be \$4-5M. Nine tenths of an acre creates a larger parcel; with the right-of-way it would be over an acre. The intention is to give Mr. Mellinchamp one-half of the right-of-way. The City Manager suggested taking what is there and offering it to Mr. Shah, with a contingency that if retail, not more than 11,000 s.f. within 24 months or it will revert back to the city. Dr. Daley emphasized no apartments; no trailers; no tattoo parlors; no dance clubs or bars.
4. **Presentation 2009/2010 Financial Status and 2010/2011 Preliminary Budget – Elesteen Hager**
Mr. Hager distributed a handout for Council to study and discuss at another time (filed in the City Clerk’s Office).
5. **Planning Commission Fee – March Altman, Director of Development & Assistant City Manager for Community Development** – Mr. Altman reported that the Planning Commission had held a public hearing, and recommended a \$200 fee, for one year only. Two other public hearings were held regarding two other street vacations. These will be included on the agenda for the meeting on February 9, 2010. 1) Portion of Boston Street, right-of-way near Maryville Street. The Planning Commission recommended approval to Council. 2) Dendron Street right-of-way request, near Advance Auto.
6. **Tax Abatement Program** – The “Tax Abatement Program for Rehabilitation, renovated or Replacement of Structures” was distributed to Council for their review.

CLOSED SESSION

Motion was made by Councilor Emerson, and seconded by Vice Mayor Cuffey to convene into Closed Session to discuss Economic Development Proposal, and Legal Matters (Litigation with the Beacon Theatre), in accordance with Virginia Code Sec. 2.2-3711 (A) (1) and (7). Upon the roll call, the vote resulted:

Vice Mayor Cuffey	-	yes
Councilor Bailey	-	yes
Councilor Harris	-	yes
Councilor Emerson	-	yes
Councilor Stokes	-	yes
Councilor Walton	-	yes
Mayor Pelham	-	yes

OPEN SESSION

Council convened into Open Session. Councilors responded to the question: “Were the only matters discussed in the Closed Meeting public business matters lawfully exempted from open meeting requirements; and public business matters identified in the motion to convene into Closed Session?” Upon the roll call, the vote resulted:

Vice Mayor Cuffey	-	yes
Councilor Bailey	-	yes
Councilor Harris	-	yes
Councilor Emerson	-	yes
Councilor Stokes	-	yes
Councilor Walton	-	yes
Mayor Pelham	-	yes

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ADJOURN

At 9:50 PM motion was made by Vice Mayor Cuffey, and seconded by Councilor Walton, to adjourn the meeting. Upon the roll call, the vote resulted:

Vice Mayor Cuffey	-	yes
Councilor Bailey	-	yes
Councilor Harris	-	yes
Councilor Emerson	-	yes
Councilor Stokes	-	yes
Councilor Walton	-	yes
Mayor Pelham	-	yes

Brenda S. Pelham, Mayor

Ann M. Romano, City Clerk